

## REMARKS

In this amendment, claims 1, 2, 3, 5, 8-15, 19, 23, 27-33, and 35-37, have been amended to present them in clear and better form, grammatically, idiomatically and typographically. Support for the claim amendments is provided throughout Applicants disclosure as originally filed and no new matter has been introduced. Accordingly, claims 1-17, 19-33, and 35-37 are now pending and believed to be allowable over the cited references. Reconsideration and allowance of these claims is hereby respectfully requested.

The Examiner indicated in this Office Action new grounds of rejection. Specifically, the Examiner rejected all the pending claims, 1-17, 19-33, and 35-37, under 35 U.S.C. §103, where claims 1-7, as well as claims 11-14,<sup>1</sup> have been rejected as being unpatentable over U.S. Patent 5,835,896 to Fisher in view of U.S. Patent 6,510,418<sup>2</sup> to Case, claim 8-10 have been rejected as being unpatentable over U.S. Patent 5,835,896 to Fisher in view of U.S. Patent 5,426,281 to Abecassis, claims 15-17, as well as claims 23-26, 27-30, 31-33, and 35-37,<sup>3</sup> have been rejected as being unpatentable over U.S. Patent 5,835,896 to Fisher in view of U.S. Patent 6,510,418 to Case and in further view of U.S. Patent 6,178,408 to Copple, claim 19-22 have been rejected under 35 U.S.C. §103 as being unpatentable over U.S. Patent 5,835,896 to Fisher in view of U.S. Patent 6,113,495 to Walker and in further view of U.S. Patent 6,178,408 to Copple.

The Examiner has again made a number of unsupported assertions in these rejections which are respectfully traversed and objected to herein. For example, as to the assertions in page 4 (1<sup>st</sup> paragraphs) regarding claims 3-5, there is no support in the cited references and no other reference is provided in support of the alleged knowledge in the art of  $M=N$  or  $M=1$  and  $N=1$ . Moreover, there is no support in the references for the allegation regarding claim 6 that incentive points are based on bid price, although the Applicants suggests that in some instances they may

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<sup>1</sup>. See additional rejections by the examiner of claims 11-14. Claims 11-14 have been rejected without first specifying the ground of rejection. However, from the details gleaned in the rejection body at pages 9-13 of the Office Action, it appears that claims 11-14 have been rejected as being unpatentable over U.S. Patent 5,835,896 to Fisher in view of U.S. Patent 6,510,418 to Case.

<sup>2</sup>. As mentioned in Applicants' prior response and as noted here again in Section 3 of the current Office Action, the Examiner inadvertently indicated patent number 6,510,416 instead of 6,510,418 to Case.

<sup>3</sup>. See additional rejections by the examiner of claims 23-26, 27-30, 31-33, and 35-37 based on these references Fisher, Case and Copple, in pages 18-24 of the aforementioned Office Action.

have a 1:1 relationship.<sup>4</sup> In fact, as stated in the Applicants' disclosure, Yahoo!Points are universal and can be redeemed by any merchant (different than the one awarding them). Yahoo!Points can be earned in any number of ways; by registration, by purchase of product/service, by viewing advertisements or any one of the additional methods as described in pages 24 and 25 of Applicants' disclosure. Furthermore, Yahoo!Points can be converted into some other incentive program's units (miles) or actual money.<sup>5</sup> As to the assertion in page 4 (2<sup>nd</sup> and 3<sup>rd</sup> paragraphs) regarding claims 6 and 7, the Examiner appears to misconstrue the relationship between incentive points and bid price as used in the claims of the present invention. Specifically, the bid price is not but can be covered by payment units such as incentive points or it can be payable by money.<sup>6</sup> Yahoo!Points can be redeemed for a special gift certificate through a fixed-point redemption system or they can be redeemed through a Yahoo!Auction system.<sup>7</sup> In addition, the Examiner's construction of claim 10 is inconsistent with what is recited in that storing payment units in an account record is different from awarding incentive points. Also, the allegation in pages 17 and 22 regarding claims 19-22 and 27-30, respectively, that removing expired incentive points is well known, in the context of auctions, is not supported by the cited references and no other reference is offered for this purpose.

As to the references themselves, Fisher discloses a computerized system and method for conducting a multi-person interactive auction where bids are submitted and validated and where bidder information is submitted along with the bid and stored in a customer record. (See, e.g., Fisher Abstract, col. 4, line 46 to col. 5, line 6, col. 6, col. 8 lines 30-41, and col. 10, lines 12-19.) Unlike the claims<sup>8</sup> of the present invention, Fisher fails to disclose using points, payment units or reserve amounts, let alone reservation of same, i.e., setting aside points, payment units or reservation amounts from the user account (so that they are not available while the auction is ongoing and the bid is in effect).

Overall, Fisher fails to disclose various limitations in the enumerated claims, including the following: an auction server operatively linked to a web server... and configured to reserve

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<sup>4</sup>. Page 23, line 17 in Applicant's disclosure.

<sup>5</sup>. Page 25, lines 16-17 in Applicant's disclosure.

<sup>6</sup>. See, e.g., claims 2-7.

<sup>7</sup>. Page 26, lines 11-27 in Applicant's disclosure.

<sup>8</sup>. Claims 1, 8, 11, 15, 19, 23, 27, 29 and their respective dependent claims.

payment units for ... bid price... if... bid is deemed valid (claim 1), first and second (i.e. multiple) account records associated with first and second bidders, respectively (claims 1, and, by analogy, claims 8, 9, 11, 15, 19, 23, 27, 29, 31, 32 and 33), a database server operative to reserve a bidder-selected number of payment units received by a web server (claim 8, and, by analogy, claims 11, 15, 19, 23, 27, 29, and 30 ), a second logic operative to unreserved the difference between a winning bid and the maximum number of payment units (claims 14 and 28), an account database containing points in encrypted form (claim 11, 15, 17, 19, 24, 27 and 29), discarding unredeemed points whose time has expired (claims 15, 19, 23, 27 and 29), unreserving the points if the bid is not successful (claims 2, 9, 12, 13, 15, 19, 23, 27, 29 and 31), and specifying minimum bid price (claim 29).

In rejecting the claims, the Examiner relied also on Case. Unlike the auction system and method of the claimed invention and in Fisher, Case is directed to a system and method for processing buyer offers and deterring submission of similar repetitive offers by buyers. In Case, a first and second offer is received from the same party and compared against each other to detect their similarity (Case Abstract, and col. 6, 11, and 12). Clearly, offers by the same party in Case are not auction bids. Indeed auction bids are made by different parties that are competing against each other.

Accordingly, not only is the combination of Fisher and Case improper for the purpose of producing the claimed invention, the combination does not produce the claimed invention as recited, for example, in claim 1-7 and 11-14. Modifying Fisher with the teaching of Case would render Fisher inoperative as originally intended, and vise-versa. That is, combining a system that deters repeat offers by the same buyers with an auction system, of any kind including that of Fisher, would render Fisher inoperative as originally intended, and vise-versa.

Moreover, because Case is not directed to auctions, it is understood why Case does not teach reservation of points, i.e., setting aside points from the first user and/or second user accounts (so that they are not available while the auction is ongoing and the bid is in effect). In other words, because Case does not make up for the deficiency in Fisher, neither Fisher nor Case, singly or combined, teaches or suggests all the elements in claims 1-17 and 11-14.

Indeed, the teachings of Fisher combined with Case do not produce the claimed invention as recited in claims 15-17, 23-33, and 35-37. For this reason, the Examiner also relies on the

teachings in Copple. However, Copple does not make up for Fisher's deficiency either, alone or combined with Case, even though it discloses reservation of points and discarding expired points (Copple, col. 5, lines 5-36, col. 6, lines 6-65, and col. 7 lines 13-43). Copple discloses a method for redeeming collectible points but it does not disclose any system for doing the same. Copple, like Fisher, further fails to disclose elements such as an auction server operatively linked to a web server (claim 1), a database server reserving a bidder-selected number of payment units received in an auction server by a web server (claim 8), an account database containing points in encrypted form (claim 11, 15, 19, 24, 27 and 29), and specifying minimum bid price (claim 29). Copple also fails to disclose the means for adding incentive points to the third and fourth entries and means for deleting the points from the third and fourth entries (claim 23).<sup>9</sup> In other words, Fisher, in combination with Case and Copple does not teach or suggest the claimed invention as recited in the above-enumerated claims and their dependent claims.

In rejecting claims 8-10, the examiner relies on Fisher in combination with Abecassis. First and foremost, however, by its vary nature Abecassis is even more remote from Fisher than its predecessors, Case and Copple. Abecassis is directed to a transaction protection system that offers an impartial, readily accessible standardized service for money transactions, e.g., credit card payments or bank transactions, between two entities (Abecassis Abstract, Figures 1A-12 and Col. 4-12). Abecassis has nothing to do with the claimed invention, with auctions, or with Fisher, and is not properly combined with Fisher to produce the claimed invention. Moreover, sellers in Abecassis do not receive any bids from a paying party and do not, for this and other reasons meet the elements of the claimed invention that are missing from Fisher.

Finally, Walker discloses an electronic gaming system and method; again completely unrelated to auction and/or offer systems. Combining Fisher with Walker is therefore improper. Nevertheless, even if it were proper, Walker does not teach maintaining points in encrypted form,<sup>10</sup> as required in the above-enumerated claims (e.g., claim 19).

Having reviewed the references vis-à-vis all the rejected claims and having concluded that none of these claims is either taught or suggested by the references, singly or combined, Applicants further suggest that the claims are allowable over the references. Namely, claims 1-

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<sup>9</sup>. Copple discloses an entry per user.

<sup>10</sup>. Walker discloses encoding user name etc. but not points (Walker. Col. 4, lines 62-67).

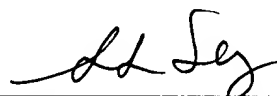
17, 19-33 and 35-37 are allowable over Fisher, Case, Copple, Abecassis and Walker, singly or combined.

As it is believed that the claims are allowable, it is further believed that the application is now in condition for allowance. Thus, reconsideration and a Notice of Allowance of these claims is hereby respectfully requested.

Should any matter remain unresolved or if any question remains unanswered the Examiner is kindly invited to contact the undersigned Applicants' attorney.

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Respectfully submitted



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**CERTIFICATE OF MAILING (37 CFR 1.8(a))**

I hereby certify that this paper (along with any referred to as being attached or enclosed) is being deposited on August 20, 2004, with the U.S. Postal Service as first class mail in an envelope addressed to: Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA, 22313-1450.

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